

COURT FILE NUMBER 1601-14400

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

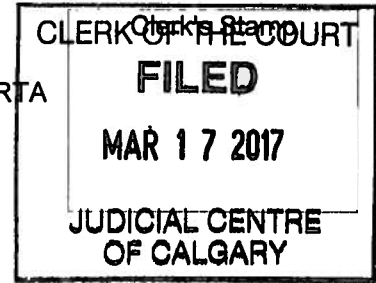
PLAINTIFF FACTORS WESTERN INC., formerly
1239783 ALBERTA LTD.

DEFENDANT DCR INC. and X-TREME CUSTOM RIDES
INC..

IN THE MATTER OF THE BANKRUPTCY
AND INSOLVENCY OF DCR INC. and
X-TREME CUSTOM RIDES INC.

APPLICANT HARDIE & KELLY INC. in its capacity as
Court-appointed Receiver of
DCR INC. and X-TREME CUSTOM RIDES
INC.

DOCUMENT **APPLICATION**



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8196
Fax: +1 403.264.5973
Email: randal.vandemosselaer@nortonrosefulbright.com

Attention: Randal S. Van de Mosselaer
File No.: 01135476-0014

NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: March 30, 2017
Time: 11:30 a.m.
Where: Calgary Courts Centre
Before Whom: The Honourable Mr. Justice D. B. Nixon

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Hardie & Kelly Inc. in its capacity as Court-appointed Receiver (the **Receiver**) of the current and future assets, undertakings and properties of DCR Inc. (**DCR**) and X-Treme Custom Rides Inc. (**X-Treme**) (DCR and X-Treme hereinafter being referred to collectively as the **Debtors**) seeks the following relief:
 - a. Abridging, if necessary, the time for service of this Application and supporting materials, and declaring service of same to be good and sufficient;
 - b. An Order, substantially in the form attached hereto as Schedule "A", authorizing the Receiver, if the Receiver deems it advisable to do so, to assign the Debtors into bankruptcy pursuant to the provisions of section 49 of the Bankruptcy and Insolvency Act, R.S.C. 1985, chap. B-3, as amended (**BIA**) and amending the Receivership Order granted in this action on November 4, 2016 as may be necessary to provide the Receiver with such authority;
 - c. Providing that the Receiver shall not be disqualified from acting as Trustee in Bankruptcy by reason only of its role as Receiver;
 - d. Such further and other relief as the Receiver may seek and this Honourable Court may allow.

Grounds for making this application:

2. In light of the state of the Debtors' records and the apparent lack of information otherwise available, it may be difficult or impossible for the Receiver to ascertain whether the Debtors' assets were disposed of at fair value or whether any preferential transfers or transfers at undervalue may have occurred;
3. The Receiver believes it would be more cost-efficient to be in a position to have recourse to the provisions of the BIA to question the former management and employees of the Debtors under oath in order to attempt to gather preliminary information as to the disposition of assets;
4. The Receiver also believes that it may be beneficial to the general body of the Debtors' creditors to have recourse to the powers under the BIA in the event the Receiver determines that preferential transfers or transfers at undervalue have occurred;
5. It appears that the Debtors have several unsecured creditors.

6. The relief requested is just, appropriate and in the best interest of the administration of the receivership estate.
7. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or Evidence to be relied on:

8. The First Report of the Receiver;
9. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

10. The Alberta *Rules of Court*.
11. Such further and other Acts and regulations as counsel may advise and this Honourable may permit.

Any irregularity complained of or objection relied on:

12. There are no irregularities complained of or objections relied on.

How the application is proposed to be heard or considered:

13. Oral submissions by counsel.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is heard or considered.

Schedule "A"

COURT FILE NUMBER 1601-14400
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary
PLAINTIFF FACTORS WESTERN INC., formerly 1239783
ALBERTA LTD.
DEFENDANTS DCR INC. and X-TREME CUSTOM RIDES INC.

Clerk's stamp

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY OF DCR INC. and X-TREME
CUSTOM RIDES INC.

APPLICANT HARDIE & KELLY INC. in its capacity as Court-
appointed Receiver of DCR INC. and X-TREME
CUSTOM RIDES INC.

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 CANADA

Randal S. Van de Mosselaer
randal.vandemosselaer@nortonrosefulbright.com
Tel: +1 403.267.8196
Fax: +1 403.264.5973

Lawyers for the Applicant, HARDIE & KELLY INC., in its capacity as
Court-appointed Receiver of DCR Inc. and X-TREME CUSTOM RIDES
INC.
File no.: 01135476-0014

DATE ON WHICH ORDER WAS PRONOUNCED: March 30, 2017

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice D. B. Nixon

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of the Applicant, Hardie & Kelly Inc., in its capacity as Court-
appointed Receiver (the **Receiver**) of the Defendants; AND UPON having heard the submissions of
Counsel to the Receiver; AND UPON having read the First Report of the Receiver, filed:

IT IS HEREBY ORDERED THAT:

1. The time for service of this Application and supporting materials is hereby abridged to the time
provided, and service of same is hereby declared to be good and sufficient;

2. The Receiver is hereby authorized, if the Receiver deems it advisable to do so, to assign the Defendant companies into bankruptcy pursuant to the provisions of section 49 of the Bankruptcy and Insolvency Act, R.S.C. 1985, chap. B-3, as amended (**BIA**);

3. The Receivership Order granted in this action on November 4, 2016 is hereby amended as may be necessary to provide the Receiver with authority to assign the Defendant companies into bankruptcy pursuant to the provisions of section 49 of the BIA;

4. The Receiver shall not be disqualified from acting as Trustee in Bankruptcy by reason only of its role as Receiver.

Justice of the Court of Queen's Bench of Alberta